

EXCHANGE STABILIZATION FUND
STATEMENT OF FINANCIAL POSITION, p
AS OF OCTOBER 31, 2006

ASSETS

<i>Special Drawing Rights</i>		
Special Drawing Rights Holdings	8,676,023,355.58	
Accrued interest receivable on Special Drawing Rights holdings	85,236,583.71	
<i>Total Special Drawing Rights</i>		8,761,259,939.29
<i>US Government Securities</i>		
Investments in US Government Securities	15,784,251,383.14	
Accrued interest receivable on U.S. Gov't Securities	-	
<i>Total US Government Securities</i>		15,784,251,383.14
<i>European Euros</i>		
Deposits with Official Institutions	5,965,043,264.92	
Securities:		
Held outright	3,851,817,976.24	
Held under repurchase agreements	2,129,638,165.02	
Accrued interest receivable on Euro investments	92,666,685.30	
<i>Total European Euros</i>		12,039,166,091.48
<i>Japanese Yen</i>		
Deposits with official institutions	2,648,836,104.48	
Securities	5,443,906,019.64	
Accrued interest on Yen investments	5,446,656.93	
<i>Total Japanese Yen</i>		8,098,188,781.05
TOTAL ASSETS		<u>\$44,682,866,194.96</u>

LIABILITIES AND CAPITAL

<i>Liabilities</i>		
Special Drawing Rights Certificates	2,200,000,000.00	
Special Drawing Rights Allocations	7,251,500,381.20	
Accrued charges payable on SDR Allocations	71,406,201.26	
Accrued interest on charges payable on SDR Allocations	-	
Due to Treasury	(0.00)	
Unearned Income and Advances	-	
TOTAL LIABILITIES		\$ 9,522,906,582.46
<i>Capital</i>		
Capital Account	200,000,000.00	
Retained Earnings	34,959,959,612.50	
TOTAL CAPITAL		35,159,959,612.50
TOTAL LIABILITIES AND CAPITAL		<u>\$44,682,866,194.96</u>

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	Current Month	Fiscal Year
INCOME and EXPENSE		
<i>Special Drawing Rights</i>		
Net interest (charges) on Special Drawing Rights	4,779,684.21	4,779,684.21
Net gain (loss) on SDR valuation	3,561,106.18	3,561,106.18
<i>U.S. Government securities</i>		
Interest earned on U.S. Government Securities	71,011,257.51	71,011,257.51
<i>Foreign Exchange</i>		
Interest earned on Foreign Currency Denominated Assets	34,694,303.66	34,694,303.66
Net gain (loss) on Foreign Exchange valuation	161,123,100.26	161,123,100.26
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Net Income (Loss)	<u><u>275,169,451.82</u></u>	<u><u>275,169,451.82</u></u>

p preliminary

*Sensitive
Unclassified*

EXCHANGE STABILIZATION FUND
NOTES TO THE FINANCIAL STATEMENTS, p
AS OF OCTOBER 31, 2006

1. The Exchange Stabilization Fund carries several long-term instruments in its portfolio. Some of these instruments may have been purchased at a premium and others may have been purchased at a discount. These instruments are reported at cost. Cost is reflected as a face amount paid for the instrument plus Premiums (which are amortized) and discounts (which accrete) are allocated to expense (amortization expense) and revenue, respectively, over the life of the instrument.
2. Foreign currency denominated assets and liabilities are revalued daily -- and reported monthly -- to reflect fluctuations in market exchange rates. These fluctuations in market exchange rates are reported in the Statement of Income as "Net gain (loss) on valuation." This gain or loss is unrealized to the Exchange Stabilization Fund until such time as the Fund sells the currency.
3. The ESF had an exchange stabilization agreement with Mexico for \$3,000 million; this agreement was renewed in December 2004 for an additional year. No drawings were outstanding under this agreement.